



2004/2005

Beverage Container Recycling Market Development & Expansion Grant Solicitation



QUESTIONS AND ANSWERS

Q.1: What is the format for a Data Request Letter from the DOC in order to obtain baseline data for beverage container recycling?

A.1: The format is provided on the grants web page entitled "Data Request Letter" which can be located under the 2004/2005 Beverage Container Recycling Competitive Grant Solicitation.

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Q.2: My company wants to... (description of specific project).

A.2: As stated in the solicitation, we will not respond to specific project questions. If you feel this project meets the criteria as stated in the Grant Focus portion of the solicitation, we encourage you to apply.

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Q.3: Is there a matching (funds) requirement? The evaluation criteria suggest that matching funds be well documented—but is the level of cost-sharing taken into consideration during the evaluation process?

A.3: There is no requirement for matching funds. However, proposals demonstrating such funds will likely score higher, and adequate documentation helps ensure leveraging of DOC funds, long-term implementation and sustainability of the proposed projects. In the scoring criteria under Budget, you will see that the dollar value of all partnerships and/or in-kind

services are considered in the evaluation process. Matching funds include the grantee's own resources (in dollars or other assets), but do not include funding from other grant or loan programs.

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Q.4: We also submitted a proposal for the Community Outreach Grant Program. For the Recycling Market Development & Expansion Grant, can we mention what we have proposed as a companion piece to this grant? In other words, the CO Grant is supportive of our MD&E Grant.

A.4: You are welcome to submit a separate concept for a beverage container recycling grant that would meet the criteria outlined in the grant focus. However, the Community Outreach Grant cannot be shown as matching funds or leveraged resources. These two grant programs are completely independent of one another.

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Q.5: As a recipient of one of your grants last year, is my organization eligible to re-apply for funds that would expand the program for which we received our grant?

A.5: Your organization may submit a concept for an entirely new beverage container recycling grant, that might expand on a



previously-funded project, but the proposal would need to demonstrate how this grant will result in additional measurable recycling market development in your area or region that meet the conditions of this solicitation.

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Q.6: Do we have to expend the grant funds within a specified timeframe after the execution of the contract?

A.6: All grant funds must be expended prior to termination of the grant agreement. The minimum requirement is 6 months of demonstrated reporting or measurement; projects must be completed within three years from the date of the grant award. Grants typically last one to two years.

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Q.7: Must we include letters of commitment from partners or our governing board as part of the concept package, or are the letters only necessary for the full proposal package?

*A.7: Letters are not required at the concept phase. Concept packages need only identify the organizations providing budgetary contribution to the proposed project. Letters of commitment need only to be submitted with the **full proposal** packages.*

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Q.8: What is the funding range for projects?

A.8: There is no minimum amount that must be requested for a proposed project. Applicants may submit concepts asking for up to the maximum available: \$10 million.

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Q.9: Would “reuse” and “reduce” activities be able to be included with programs described, yet no funding requested for those activities?

A.9: Yes. Please keep in mind that the focus of the grant is aimed at projects seeking to increase CRV beverage container recycling. Funding for grants may only be applied to components within the proposed projects that meet the grant focus.

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Q.10: Can we pay administrative costs with grant funds?

*A.10: Administrative costs, such as personnel services and associated operating expenses, for the proposed beverage container collection projects may be requested in the grant. However, they must be clearly itemized and justified within the **full proposal**. Administrative costs or overhead expenses that are not itemized and justified will be eliminated from the total amount awarded. Please pay special attention to the aspects of the solicitation pertaining to long-term sustainability of the program absent additional grant funds from DOC. Grants funds cannot be used to pay scrap value, or any other activities that would give unfair advantage to your organization.*

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Q.11: I am calculating projected volumes of beverage containers. What is the conversion to pounds from count for each material type?

A.11: The Department's statewide average for segregated CRV containers data can be accessed on the Department's website at the following address:



http://www.conservation.ca.gov/DOR/Notices/commingled_rates.htm

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Q.12: Phase 1 requires an amount requested. But the budget does not have to be submitted until Phase II. Is the amount requested just a round figure of what I think the costs will be or does it have to be exact?

A.12: Concept (Phase 1) budgets submitted should demonstrate a general or "rough" estimate of the proposed project. However, budgets submitted with requested Full Proposal (Phase II) packages should render an exact project amount. Each budget item must also be specified and justified.

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Q.13: For Phase 1 (Concept), there is a 4 page limit, excluding Attachments. Can we include additional pages with attachments, as long as the main body of the concept is 4 pages?

A.13: No. All of the information required should be provided in a concise manner in the concept phase within the four-page requirement, plus the cover page (Attachment A). The changed application process is intended to save applicants time in developing their proposals while efficiently using existing Department resources in the review process.

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Q.14: Can we purchase real estate or beverage container materials with grant funds?

A.14: No. Grants cannot fund real property purchases of land or subsidize the price of beverage container materials. Grant

funds can be used for start-up costs and working capital, operating costs, and generally those activities directly related to achieving grant objectives. These costs include personnel, equipment, supplies, rent and utilities, travel, contractual services, other operating costs, and other (explained) non-operating costs.

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Q.15: Is there a preference for projects addressing certain beverage container types?

A.15: No. There is no grant program priority for increasing recycling of one program material type over any other program material type. The Department is interested in increasing the State's overall CRV beverage container recycling rate.

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Q.16: Should we include references with our application?

A.16: No. The Department may request references during the Phase II (full proposal) evaluation.

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Q.17: My organization is not based in California. Will this affect scoring?

A.17: It could. While we encourage anyone to apply, highest priority will be given to grant applications that both (1) increase CRV beverage container recycling rates and (2) create and sustain new California jobs. However, if you plan to relocate or have a California site, it should be explained in detail in your plan of action.

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Q.18: How will full proposals be evaluated in Phase II, and who will evaluate them?

A.18: Applicants invited to submit full proposals will be evaluated according to the "Evaluation and Scoring Criteria" described in the Solicitation. A committee of Department staff will review and score the full proposals. The Department reserves the right to have other agencies represented on the evaluation committee, and may call upon external technical experts for assistance. The Department may contact applicants for questions or hold interviews prior to awarding grants. The Department may modify applications in the evaluation process. For example, funds and/or tasks proposed that are not fully justified may be reduced and/or eliminated. The score from the evaluation committee may include a revised recommended funding level for the grant application. The final number of grants awarded will depend on the number of applicants, size of grant requests, and the quality of the grant applications.

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Q.19: Is it possible to come to Sacramento and meet in your office?

A.19: Department of Conservation (Department) staff cannot meet with individual prospective grantees during the solicitation and evaluation periods to discuss grant applications. Please refer to the Recycling Market Development and Expansion Grant Solicitation (Grant Solicitation) which provides all required information – including the statutory focus of the Grant Program. Because we are prohibited from discussing detailed aspects of any potential proposals, the Department is posting on its website questions received during

these periods and the answers to each question.

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Q.20: Can we include graphs or charts in the narrative for the concept or full proposal?

A.20: Yes - just note the page limitations for the two phases.

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Q.21: I want to develop technology to improve our system. Would this qualify for grant monies?

A.21: Department staff cannot comment on your specific idea, but technology development certainly can qualify. Keep in mind the focus of the Grant Program, which includes projects to develop and utilize innovative manufacturing and processing technologies.

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Q.22: The full proposal requires a resolution from our governing body. I will not be able to get it in time for the grant deadline. Can the resolution be submitted later?

A.22: Government agencies and non-profits must submit a resolution of support from their governing body (page 6 of the Grant Solicitation). The resolution can be submitted immediately after a grant application is submitted and must be received prior to any funds awarded.

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Q.23: Is this grant program for beverage containers only? How about the Community Outreach grants?

A.23: Both grant programs are for beverage containers, but proposals may involve other materials as long as beverage containers are the main focus.



Information specific to Community Outreach Grants is available at:
<http://www.conservation.ca.gov/dor/grants/index.htm>.

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Q.24: If I submit a proposal for equipment that will handle cardboard and containers, what are my chances of approval?

A.24: Applicants have to make the case that their project will fulfill the criteria as stated in the Grant Solicitation, and each proposal competes against all the other proposals. However, eligible equipment can be used for other materials, the mere fact that equipment is also used for cardboard does not disqualify it.

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Q.25: We believe that informing the public about recycling would greatly expand recycling of CRV beverage containers. Please contact us with regard to this idea.

A.25: Department staff cannot discuss grant applications with individual prospective grantees during the solicitation and evaluation periods.

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Q.26: When will the grants be made, and when do you expect the next round of applications to be due?

A.26: The tentative date to announce the successful Phase 1 applicants is December 15 - see page 4 of the Grant Solicitation. Phase 2 full proposals will be due from those applicants on January 14, with awards announced March 11, 2005. We hope to have executed agreements in place April 1,

2005 – see page 10 of the Grant Solicitation. We do not have a timeline yet for the next round.

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Q.27: Would the purchase of additional recycling bins be eligible for funding?

A.27: Bins are eligible, but the main focus of the Grant Program is on processing and manufacturing functions, versus additional collection. See page 1 of the Grant Solicitation.

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Q.28: Since we are a startup company, how do I submit financial statements, since the company doesn't have any yet? Do I have to submit financial records? Will this count against us?

A.28: Business startups as well as established companies are eligible. Whatever financials can be provided that are relevant should be provided. As a startup company, if three years of financial information is not available, then the applicant must demonstrate in some other manner that the organization has the financial capability to conduct the project.

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Q.29: Should we request all the funding for a multiyear project in this fiscal year?

A.29: The Department may choose to award funding for all or part of a project from the current fiscal year. Changes to an applicant's proposed scope of work will be negotiated before the grant agreement is executed. Alternatively, applicants may choose to apply for additional grant funding in later years.

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Q.30: May we use grant money to help purchase new equipment to help us capture and recycle a large amount of beverage containers?

A.30: You are certainly eligible to apply, and equipment purchases are eligible for grant funds. We can't make specific recommendations about the merits of your idea, beyond the grant criteria in the Grant Solicitation.

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Q.31: Right now, we are getting ready to start our business recycling program in the county. If we offer businesses an extra incentive of picking up the cost for their recycling for a fixed time, it will get the ball rolling.

A.31: It sounds like your idea is mostly for recycling collection, which is not the main focus of the Grant Program, although collection can be part of an eligible project.

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Q.32: Is the grant application available in Microsoft Word?

A.32: Yes – the Attachments and Exhibits are in Word, and are designed to be completed electronically. The spaces in the forms will expand as you enter information. However, we do not yet have an electronic submittal process – you still must print, sign, and submit your application on paper.

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Q.33: Where does the grant funding come from?

A.33: Funding for the Grant Program originates with beverage distributors. There are no tax monies involved. When consumers fail to recycle the containers they have purchased, some of the unredeemed

monies are available for grants and other purposes. For a more detailed explanation, there is a chart on the Department of Conservation web site at: http://www.conservation.ca.gov/DOR/gpi/general_public/webcon.pdf

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Q.34: Can grant money be used to purchase products made from recycled beverage containers, for public facilities?

A.34: Yes. Bear in mind the overall goal of increasing recycling rates and the specific guidelines in the Grant Solicitation. The grants are competitive, so the projects most likely to receive awards will demonstrate the most benefits for the dollars spent.

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Q.35: Can we apply as a group of cities in an arrangement to increase recycling among our members?

A.35: Yes – associations, JPAs, etc. are eligible to apply.

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Q.36: Could I obtain equipment for cardboard only?

A.36: Equipment for cardboard only would not be fundable. Dual-purpose equipment that improves your capture of empty beverage containers can be eligible, depending on the total project.

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Q.37: Who will see the proposals and business plans? Will they be treated as confidential?

A.37: Proposals will be reviewed by a committee from the Department, with possible assistance from other experts if warranted (for instance, an expert in



glass chemistry could be consulted). Reviewers will be bound to legal standards regarding non-disclosure of confidential information. However, grant applications may become public records. Any confidential information must be submitted according to the guidelines for Exhibit 4 on page 8 of the Grant Solicitation, and requested by the proposer that the material submitted shall be handled as confidential. If confidentiality is granted, the material will not be disclosed to the general public unless so ordered by a court of competent jurisdiction.

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Q.38: Would equipment that can improve processing of recycled materials qualify for grant funding?

A.38: Yes - equipment to improve the supplies of recovered beverage container materials qualifies. The thing to keep in mind is the overall purpose of the Grant Program, which is to raise recycling rates for beverage containers focusing on processing and manufacturing functions.

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Q.39: I want to start a recycling center and processing center ... to allow a person or business to bring all their recyclables to a place that accepts all types of recyclables and CRV containers.

A.39: Collection (including recycling centers) may be part of a broader project, but is not the main focus of the Grant Program. The main focus is manufacturing and processing functions specific to beverage container materials.

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Q.40: We have a process to increase our diversion while creating a high-end product made from plastic.

A.40: The project may be eligible for funding if its main focus is to increase recycling of beverage container materials and is consistent with the focus of the grant program. – see page 1 of the Grant Solicitation.

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Q.41: What is the maximum length of the grants? May grants be funded beyond the term?

A.41: Grant projects may last up to three years from the date of execution – see page 7 of the Grant Solicitation. Applicants may submit a second-phase grant application in later years for further funding consideration.

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Q.42: Please supply me with specific data on [glass, aluminum or plastic] markets, so I can complete my application. Please send me information on other market development efforts at the Department of Conservation.

A.42: The Department has data specific to sales and returns of beverage containers as well as statewide average scrap values for each material type. This information can be obtained at:

[http://www.conservation.ca.gov/DOR/Notices/
Index.htm](http://www.conservation.ca.gov/DOR/Notices/Index.htm).

Information on other Department market development efforts can be obtained at:
[http://www.conservation.ca.gov/DOR/dmr/
rpm/
index.htm](http://www.conservation.ca.gov/DOR/dmr/rpm/index.htm).

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Q.43: Will proposals from private companies, nongovernmental organizations and government agencies all be considered equally? Are there any circumstances under which the Department would give preference to any one of these types of organizations over another?

A.43: Applications from all types of organizations are eligible. The type of organization has no bearing on the scoring of the applicant's qualifications.

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Q.44: I may propose a project with distinct components, some of which could be implemented independently of one another. Is it appropriate to ask the Department to consider each component separately, even though they are submitted as part of a single grant application? Or, would the Department encourage applicants to submit distinct grant proposals for such a project?

A.44: It is impossible to say ahead of time which approach is best. Applicants may submit one or more proposals. New or "recycled" proposals may be submitted in later fiscal years as well.

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Q.45: What are postfilled containers?

A.45: Section 14517.5 of the Act indicates that a postfilled container means any container, which had previously been filled with a beverage or food. The term "postfilled" generally references non-beverage containers.

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Q.46: Which beverage manufacturers and what brands use #5 Polypropylene bottles for CRV Beverages? In 2002 there were 1,107,605 bottles sold according to the Department's Biannual Report. How many were there in 2003?

A.46: In 2003, only eight manufacturers sold beverage containers in #5 Polypropylene bottles. As the Department does not disclose information on specific participants, the manufacturers cannot be listed. Reporting by manufacturers includes only the number of containers and does not indicate the brand or product packaged in the container. Final sales for 2003 for #5 Polypropylene bottles totaled 1.7 million units.

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Q.47: Does it matter whether equipment is used for residential or commercial, or both? Would expansion of a commercial system be viewed as a higher priority than improved processing of single-stream residential curbside materials, given new directions by the DOC in the Recycling-at-Work Program?

A.47: Commercial would not necessarily get higher priority than residential; grants will be scored according to the evaluation and scoring criteria explained in the Grant Solicitation.

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Q.48: Do the percentages of materials collected and/or processed matter? For example, is a minimum percentage of CRV material required to be processed for the processing equipment to be eligible for funding?

A.48: There is no minimum percentage of CRV material required to ensure eligibility. But again, all proposals compete against each other to achieve the overall goal of increasing recycling rates for CRV materials. The more a project enhances CRV recycling and the objectives in the Grant Solicitation, the better it will likely score.

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Q.49: What are the estimated volumes of CRV and other postfilled glass collected that were used for determination of the processing fee for 2004?

A.49: The Department does not use estimated volumes of CRV nor postfilled glass collected for the determination of processing fees. Analysis of the impact of processing fees and payments generally are based on actual sales and returns from the previous calendar year. These data are available at: <http://www.conservation.ca.gov/DOR/Notices/Images/Biannual1203.pdf>.

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Q.50: What estimate has the Division made for 2004 or later years of the CRV and other postfilled glass collection under AB 28?

A.50: The Division has not made any estimates of 2004 or later years for CRV and other postfilled glass collection under AB 28. A study conducted by the University of California at Berkeley provided estimates of recycling rates, based on several scenarios of

increasing CRV. The authors' conclusion was as follows: "Recycling responds strongly to a change in the CRV. Doubling the CRV, which would make it somewhat higher than other "bottle-bill" states, will result in a California recycling rate for aluminum of 90 percent, for glass of 81 percent, and for PET of 61 percent. The overall recycling would be 82 percent. Increasing the CRV for containers of less than 24 ounces to 5 cents, while leaving the CRV for larger containers at 5 cents would result in recycling rates of 90 per cent for aluminum, 80 percent for glass, and 58 percent for PET. The overall recycling rate would be 81 percent."

The full report can be obtained at: <http://www.conservation.ca.gov/DOR/UC Study 41603.pdf>

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Q.51: What is the percentage of mixed vs. color-sorted glass collected by beneficiating processors from non-beneficiating processors, recyclers, curbside, dropoff and collection centers for the last three years or any years that are available?

A.51: For 2003, the percentages were approximately 39% mixed and 61% color-sorted statewide. For 2002, the percentages were approximately 35% mixed and 65% color-sorted statewide. For 2001, the percentages were approximately 30% mixed and 70% color-sorted. Please note these are estimates based on scrap value survey data, which have inherent limitations when used to calculate proportions of glass colors.

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Q.52: I am a small company and do not want my financial records to potentially become public record. How do I need to present them?

A.52: Refer to Exhibit 4, Supporting Materials, and page 8 of the Grant Solicitation. Financial records may be presented in the format listed. If it is believed that the financial records should not be disclosed because it would cause loss of a competitive advantage, then the confidentiality request needs to state the specific nature of the advantage and how it would be lost, including the value of the information to the requesting party, and the ease or difficulty with which the information could be legitimately acquired or duplicated by others. In the event that confidentiality is not granted, the applicant must indicate if the financial records are to be returned to the applicant, or retained, as part of the public record application.

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Q.53: Is the 15 percent allocated for Budget only for that one page (Exhibit 1) alone? Can an additional narrative explanation be included with Exhibit 1?

A.53: Additional narrative may be included with Exhibit 1 as a separate budget narrative page – see page 6 of the Grant Solicitation. These two pages will be considered together for the 15 percentage points allocated for the Project Budget.

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Q.54: In the formatting, are there any requirements for minimum margin?

A.54: No.

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Q.55: In other grants I have written, there has always been an Administration Task budget, (which is roughly 10% of the grant amount) in for the grant administration. Is that OK to include here?

A.55: You should use the budget categories in Exhibit 1, Project Budget. If you feel Administrative Tasks need a separate explanation, provide details in a separate budget narrative page (page 6 of the Grant Solicitation).

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Q.56: Would it be advantageous to include Education and Outreach as a Task to increase awareness to consumers?

A.56: This could be part of a project, but keep in mind the overall focus of the Grant Program on manufacturing and processing functions. We can't comment on specific grant proposal ideas, and it would be impossible to say ahead of time how a particular idea would fare against other proposals.

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Q.57: Do we need letters to document ALL match or in-kind? What if some of our subcontractors work is in exchange for stock? Do we need a signed letter from them?

A.57: To the extent subcontractors are provided stock in your company in lieu of a salary, the value of those services should be noted as an in-kind contribution on Exhibit 1 and described on a separate budget narrative page. Individual letters from each subcontractor are not required.

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Q.58: Although Match and In-Kind cannot be contributed before the grant contract is executed, can we show a value for our pilot project as match?

A.58: No. Assets developed or acquired before the proposed Grant Project would not be considered to be a current matching funding source.

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Q.59: Can a video be sent as part of the Supporting Materials?

A.59: No. Supporting Materials, if submitted, should be limited to written documents.

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Q.60: On the copies of the proposal that are supposed to be double-sided, do we begin each section on a new page, or just run the whole proposal through the copy machine at once?

A.60: Just copy the whole proposal at once.

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Q.61: If we are proposing to upgrade to new technology for greater efficiency are there any requirements specific to what to do with the replaced technology?

A.60: There are no specific requirements, but it is important to 1) clearly outline the benefits of upgrading technology – will it result in greater use of used beverage containers or improve the quality of feedstock, and 2) clearly outline how the old technology will be used, for example at a different plant or sold with proceeds used to offset the cost of the technology upgrade.





2004/2005

Beverage Container Recycling Market Development & Expansion Grant Solicitation



ADDITIONAL QUESTIONS AND ANSWERS 01-03-05

Q.62: Development of the Phase 2 Full Proposal may not allow enough time for partners to show commitment, as many will not meet prior to the deadline. Can letters of commitment follow the full application?

A.62: Yes – The applicant must show support letters are being considered, such as in a meeting agenda.

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Q.63: All cost bids may not be in by the deadline. How should this be handled?

A.63: Review the Solicitation Project Budget (Exhibit I) on page 6; bids are not required to be submitted in a proposal.

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Q.64: We proposed a program in two phases, although the second was less developed. Should the full proposal include both phases?

A.64: The concepts were approved as presented, so the full proposals must match the approved concepts.

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Q.65: We did not receive a “pass” score on our concept proposal. We would like to get feedback on our proposal – not to question the decision, but to help us learn what we could have done better.

A.65: The Department will soon be evaluating Phase 2 applications and cannot provide any details on your proposal. Once the Phase 2 process is complete and proposals have been awarded funding, you may contact the Market Research Branch at (916) 323-5878 to inquire how your concept application ranked among the competitors. We anticipate awarding the grants by April 1, 2005.

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Q.66: If we were not selected to move forward to Phase 2, can we have our Phase 1 Concept Proposal returned (not made public)?

A.66: The Concept Proposal is a public record subject to disclosure. The Department will return the Concept Proposal upon request, but a copy will be retained in order to maintain documentation of the process should anyone audit the Department or challenge our decision-making process (Note requests for confidentiality in the Phase 2 Full Proposal must follow guidelines specified in the Solicitation).

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Q.67: Since notification about the Phase 1 Concept Proposals was delayed, will we have additional time to complete Phase 2 Full Proposals?

A.67: Yes – the deadline has been extended to 5 p.m., Tuesday, January 18, 2005

